



# Family Resource Management...

## Getting Organized Series

### Keeping Home Records: What to Discard

FRM-00396

#### In this issue

- Why keep records
- Tax records: how long should you keep them

#### Tips to help you

- Determine which papers you do not need
- Sort through your temporary files

#### What you'll need

- Your collection of files

#### Which records should you keep and which ones should you discard?

Keep all records that might be used for proof of ownership, resale purposes, income tax or future reference.

#### When should you discard home records?

After once getting organized, sort through your temporary files and transfer seldom used records to your permanent files annually. Discard records which you are sure you will never need again.

#### Who should discard records?

The person who manages the home business center should be in charge of this process. However, all family members should be consulted if there is any doubt about tossing an item.

#### • Tax records

The Internal Revenue Service has three years in which to audit federal income tax returns. However, this limit does not apply in unusual cases where the party filing has:

- Failed to report more than 25% of his or her gross income. In this case the government has six years to collect the tax or start legal proceedings to do so.
- Filed a fraudulent return. In this case there is no time limitation.
- Failed to file a return. In this case there is no time limitation.

Any receipt or statement used for income tax purposes should be kept indefinitely. Store them with your income tax records.

#### • Tips on what to throw away

Remember, do **not** throw away any record that you may need for proof of ownership, future reference, resale value or income tax. Each year you should sort through your temporary files and throw away

records you have no further use for. At the same time, store records you want to keep indefinitely in your permanent files.

Annually toss:

- Bank statements and receipts of transactions for closed accounts or which are no longer meaningful.
- Bill receipts that are paid or recorded under the proper category in your account book.
- Sales slips that have been recorded under the proper category in your account book.
- Cancelled checks that are not needed for receipts for proof of purchase or income tax purposes. These might include checks for groceries, clothing or cash.
- Receipts that are recorded in your account book and ones that will not be needed for resale.
- Records of appliances that have been replaced.
- Warranties which have expired.
- Washing and cleaning instructions for fabrics and garments no longer used.

5-82/NT-RD/250

Reprinted July 2006

The University of Alaska Fairbanks Cooperative Extension Service programs are available to all, without regard to race, color, age, sex, creed, national origin, or disability and in accordance with all applicable federal laws. Provided in furtherance of Cooperative Extension work, acts of May 8 and June 30, 1914, in cooperation with the U.S. Department of Agriculture, Anthony T. Nakazawa, Director, Cooperative Extension Service, University of Alaska Fairbanks.

The University of Alaska Fairbanks is an affirmative action/equal opportunity employer and educational institution.

## Your Valuable Papers: What to Keep, Why and How Long

WHAT TO KEEP	WHY	HOW LONG
<b>Account books</b>	Record of income and expenditures for reference, comparison, and management	Permanently
<b>Adoption papers</b>	For inheritance purposes For social security claims	Permanently
<b>Bank statements</b>	Proof for income tax Loan records	Permanently
<b>Birth certificates</b>	To prove age For obtaining jobs For obtaining a drivers license For a marriage license To register to vote To qualify for social security To obtain passports	Permanently
<b>Burial lot deed</b>	Proof of ownership	Permanently
<b>Cancelled checks</b>	Income tax Proof of payments	Permanently those used for income tax or proof of payment
<b>Church records: Baptismal Confirmation</b>	Acceptable evidence of birth date when obtaining a delayed birth certificate	Permanently
<b>Citizenship</b>	To obtain certain jobs To obtain passports To prove eligibility to vote	Permanently
<b>Copyrights and patents</b>	Proof of ownership rights	Permanently
<b>Credit card Information</b>	Reference information in case of loss or theft	Discard when no longer have the credit card
<b>Death certificates</b>	To make social security claims (minors) For inheritance purposes For insurance claims	Permanently
<b>Deeds/mortgages/abstracts</b>	Income tax purposes Estate tax purposes Improvement records necessary to compute capital gain To show sale price of property, legal fees and expense of sale	Permanently
<b>Divorce decree</b>	To clear legal requirements for remarriage For inheritance purposes For social security claims For insurance claims	Permanently
<b>Education &amp; employment records</b>	Lists education and job experience Lists qualifications For tenure To show reliability For retirement benefits	Permanently

WHAT TO KEEP	WHY	HOW LONG
<b>Government bonds</b>	Needed for income tax Needed for gift tax	Permanently
<b>Guarantees and warranties</b>	Proof of purchase Determines services and parts guaranteed	Discard when item is sold or thrown away
<b>Health records</b>	For employment For future diagnosis For changing physicians For reference on immunizations, injuries, diseases, illnesses	Permanently
<b>Household Inventories</b>	To determine amount of insurance needed For insurance claims To establish value of items For networth statements	Keep up-to-date as you add or dispose of household items
<b>Instruction books</b>	For reference for use and care	Until item is sold or discarded
<b>Insurance policies:</b>		
<b>Auto/vehicle</b>	For reference on coverage	Keep until sold or policy expires
<b>Personal liability</b>	For reference on coverage	Keep until policy expires
<b>Property</b>	For reference on coverage	Keep until policy expires
<b>Life</b>	For reference on coverage	Keep until policy expires
<b>Health</b>	For reference on coverage	Keep until policy expires
<b>Investments (U.S. savings bonds, stocks, mutual funds)</b>	Proof of ownership Needed for evaluation of estate To determine maturity date Needed for income tax	Permanently
<b>List of insurance policies</b>	Reference for kinds and amounts of coverage	Keep until collected or policy expires
<b>Marriage records</b>	Proof of marriage Needed to collect certain benefits: insurance, retirement social security For inheritance purposes To settle estates	Permanently
<b>Military records</b>	To collect benefits: health, disability, education	Permanently—Permanent records may be held at city clerk's office
<b>Receipts and receipted bills</b>	Proof of payment	For charge accounts keep until new bill comes and shows payment For installment contracts, keep 5 years after final payment
<b>Sales slips</b>	For income tax For proof of ownership For resale	Keep until merchandise has performed satisfactorily  Keep if item has a guarantee Keep if item is tax deductible If needed for insurance claims

WHAT TO KEEP	WHY	HOW LONG
<b>Savings</b>	For income tax	Permanently
<b>Vehicle title and bill of sale</b>	Proof of ownership Assists in determining money invested	Discard when you sell or dispose of vehicle
<b>Will</b>	To settle estate	Permanently
<b>Identification Cards</b>		
<b>Credit cards</b>	To charge purchases	Until replaced or discontinued
<b>Drivers license</b>	Shows legal eligibility to drive	Until expired
<b>Medical information: blood type, doctor preferred, who to notify in case of emergency, allergic reactions, diabetic, epileptic, etc.</b>	For emergency treatment	Permanently
<b>Organization membership</b>	Proof of membership	As long as membership is current
<b>Passport</b>	ID when traveling in a foreign country	Permanently
<b>Social security card</b>	To collect benefits	Permanently
<b>Voter registration card</b>	Proof of eligibility to vote	Permanently

## About the series

This is a series of fact sheets to assist you in setting up a system to help you get control of your time and resources.

Each fact sheet gives you suggestions and ideas concerning one topic with a suggested activity to help you get one step closer to becoming organized.

It may take you as long as a year to get your management system working effectively for you.

Households that develop such a system and use it faithfully have discovered that no matter what the economic conditions are, they can still get ahead or at least stay even.

In this series, you can request fact sheets on the following topics:

- *Organizing Your Home Business Center* (FRM-00390)
- *The Temporary Home Filing System* (FRM-00391)

- *The Permanent Home Filing System* (FRM-00392)
- *Valuable Papers Checklist* (FRM-00393)
- *Valuable Papers Inventory* (FRM-00394)
- *Taking A Household Inventory With a Camera* (FRM-00395)
- *Keeping Home Records: What to Discard* (FRM-00396)
- *Replacing Valuable Papers* (FRM-00397)

For more information contact:  
Roxie Rodgers Dinstel  
Home Economist  
phone (907) 474-2426  
e-mail: fnrrd@uaf.edu

*This publication was originally developed in 1982 by Natalie Thomas, Extension Family Resource Management, Cooperative Extension Service, University of Alaska Fairbanks. Technical review by Roxie Rodgers Dinstel, 1999.*